

PUBLIC DISCLOSURE

September 16, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

VisionBank of Iowa
RSSD# 269049

104 Chestnut Street
Ames, IA 50010

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, IL 60604-1413

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

TABLE OF CONTENTS

PERFORMANCE EVALUATION	2
SCOPE OF EXAMINATION	2
DESCRIPTION OF INSTITUTION.....	4
DESCRIPTION OF ASSESSMENT AREA.....	5
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA	5
LENDING TEST	5
COMMUNITY DEVELOPMENT TEST.....	7
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	8
AMES, IOWA MSA #11180 – FULL REVIEW	9
DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE AMES, IOWA MSA #11180	9
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE AMES, IOWA MSA #11180.....	15
NONMETROPOLITAN IOWA– FULL REVIEW	27
DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE IOWA NON-MSA	27
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE IOWA NON-MSA	33
DES MOINES –WEST DES MOINES, IOWA MSA #19780 – LIMITED REVIEW.....	39
DESCRIPTION OF INSTITUTION’S OPERATIONS IN THE DES MOINES-WEST DES MOINES, IOWA MSA #19780	39
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DES MOINES – WEST DES MOINES, IOWA MSA #19780.....	42
APPENDIX A – MAP OF ASSESSMENT AREAS	48
APPENDIX B – 2017 LENDING TABLES	49
APPENDIX C – SCOPE OF EXAMINATION	58
APPENDIX D – GLOSSARY	59

BANK'S CRA RATING

VisionBank of Iowa is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

VisionBank of Iowa provides credit consistent with its asset size, locations, and the local economic conditions of its assessment areas. The loan-to-deposit (LTD) ratio is more than reasonable, given the bank's size, financial condition and assessment area credit needs. A substantial majority of the bank's loans are located within the assessment areas. The geographic distribution of loans reflects a reasonable dispersion throughout the assessment areas. Additionally, the bank had reasonable penetration of loans among individuals of different income levels (including low- and moderate-income individuals) and businesses and farms of different sizes. Neither the bank nor this Reserve Bank has received any Community Reinvestment Act (CRA)-related complaints since the previous evaluation.

The bank's level of community development activities demonstrates adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services. The performance is appropriate, considering the bank's capacity and the need for and availability of such opportunities in the bank's assessment areas.

SCOPE OF EXAMINATION

VisionBank of Iowa's CRA Performance was evaluated using the Federal Financial Institutions Examination Council's Intermediate Small Bank CRA Examination Procedures (FFIEC). The bank's CRA performance was evaluated using information about the institution and assessment area including: asset size, financial condition, competition, and economic and demographic characteristics. The bank's primary product lines, including Home Mortgage Disclosure Act (HMDA)-reportable, small business, and small farm loans, were evaluated.

The evaluation consisted of a full-scope review of the bank's Ames, Iowa Metropolitan Statistical Area (MSA) #11180, as well as the Iowa Non-MSA assessment area, which is comprised of Boone County in its entirety and one census tract in Hamilton County. These were selected based on several factors including deposit market share, office and ATM concentration, volume of HMDA-reportable lending, economic and demographic characteristics, and community development needs. The evaluation also consisted of a limited-scope review in the bank's Des Moines-West Des Moines Iowa MSA #19780 assessment area.

Products reviewed included HMDA-reportable loans originated from January 1, 2017 through December 31, 2018 and small business and small farm loans originated from January 1, 2018 through December 31, 2018. The lending analysis was based primarily on the bank's 2018 Home

Mortgage Disclosure Act (HMDA) , small business, and small farm loans. Given the limited number of small farm loans originated during the evaluation period, HMDA-reportable and small business loans received more weight in the evaluation. Please refer to Appendix B for 2017 HMDA-reportable loan tables.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13 quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors.
- ***Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated from January 1, 2017 through December 31, 2018 and samples of small business and small farm loans originated from January 1, 2018 through December 31, 2018 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s HMDA-reportable loans originated from January 1, 2017 through December 31, 2018 and samples of small business and small farm loans originated from January 1, 2018 through December 31, 2018, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Borrowers of Different Income and to Businesses and Farms of Different Sizes*** – The bank’s HMDA-reportable loans originated from January 1, 2017 through December 31, 2018 and samples of small business and small farm loans originated from January 1, 2018 through December 31, 2018, were reviewed to determine the distribution among borrowers of different income levels, particularly those considered low- or moderate-income, and to businesses and farms with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from July 26, 2016 through September 16, 2019 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, three community representatives were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment

area. Representatives were specifically contacted from organizations with a focus on economic development and affordable housing.

DESCRIPTION OF INSTITUTION

VisionBank of Iowa is a subsidiary of VisionBankshares, Inc., a one-bank holding company located in Boone, Iowa. VisionBank of Iowa is headquartered in Ames, Iowa which is located in central Iowa, approximately 35 miles north of Des Moines, Iowa. The branch network consists of seven full-service branch offices throughout the assessment area including a main office in Ames, Iowa. The bank also operates a limited service branch in Ames, Iowa that does not have a lender onsite. In addition, the bank has a loan production office in West Des Moines, Iowa that is not open to the public for banking. The bank operates seven full-service automated teller machines (ATMs) and two cash-only ATMs. In addition, the bank maintains a website (www.visionbank.com) that provides information on loan and deposit products, applications, other bank services, and access to online banking. Available online and mobile banking allow customers to view account balances, view check images, transfer funds, make bill and loan payments, and locate branches and ATMs.

According to the Uniform Bank Performance Report (UBPR), as of June 30, 2019, the bank reported total assets of \$492.9 million. The bank offers residential real estate, commercial, consumer, and agricultural loan products. In addition, the bank offers traditional deposit accounts such as checking, savings, money market deposit accounts, and certificates of deposit. Overall, commercial and residential real estate loans serve as the bank's primary products. The following table presents the bank's loan portfolio composition as of June 30, 2019.

Composition of Loan Portfolio as of June 30, 2019		
(\$ are in 000s)		
Type	\$	%
Residential RE	62,290	15.0
Commercial	304,420	73.4
Agriculture	43,605	10.5
Consumer	632	0.2
Other	3,553	0.9
Total Loans	414,500	100.0
<i>Note: Percentage may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its communities.

The bank was rated Satisfactory under the CRA at its previous evaluation conducted on July 26, 2016.

DESCRIPTION OF ASSESSMENT AREA

VisionBank of Iowa defines its combined assessment area as a single contiguous area encompassing portions of two MSAs and one Non-MSA assessment area. The Des Moines-West Des Moines, MSA includes all of Polk County and nine census tracts in Dallas County. The Non-MSA Iowa assessment area includes all of Boone County and one census tract in the southeastern portion of Hamilton County. The Ames MSA includes all of Story County. No changes have been made to the bank's assessment area since the previous evaluation. In total, the combined assessment area is comprised of 12 low-, 27 moderate-, 63 middle- 32 upper-, and two unknown-income census tracts. The two unknown-income census tracts are home to the Des Moines International Airport and Iowa State University. Approximately 29.1 percent of census tracts are designated as low- and moderate- income. There are no distressed or underserved tracts. The bank's main office in Ames is located in a low-income census tract. No other locations are in low- or moderate-income census tracts. The following table illustrates the composition of the combined assessment area by counties, census tracts, and the number of branch locations.

Assessment Area	Counties	Number of Census Tracts	Number of Branch Offices
Des Moines, West Des Moines MSA 19780	<ul style="list-style-type: none">PolkDallas (partial)	107	1
Iowa Non-MSA	<ul style="list-style-type: none">BooneHamilton (partial)	9	3
Ames, Iowa MSA 11180	<ul style="list-style-type: none">Story	20	4
Total		136	8

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

VisionBank of Iowa's performance relative to the lending test is rated satisfactory based on the following factors. The bank's loan-to-deposit ratio, given the bank's size, financial condition, and assessment area credit needs, is more than reasonable. A substantial majority of the bank's lending was originated within the bank's assessment areas. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas; and the bank demonstrated reasonable penetration among individuals of different income levels and businesses and farms of different revenue sizes.

Loan-to-Deposit Ratio

The following table summarizes the bank's LTD ratio for 13 quarters ending June 30, 2019. The table also compares this data to the bank's local competitors. Overall, VisionBank of Iowa's loan-to-deposit ratio is more than reasonable given the bank's asset size, financial condition, and assessment area credit needs. As of June 30, 2019, the bank's 13 quarter average loan-to-deposit

ratio was 109.1 percent which is greater than the majority of its local competitors. A higher LTD ratio indicates the bank is lending which benefits the credit needs of the assessment area.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	13 – Quarter Average
VisionBank of Iowa	109.1
Competitors	
Boone Bank & Trust Company	55.1
City State Bank	82.7
First American Bank	75.4
First National Bank	67.0
State Savings Bank	114.3
South Story Bank & Trust Company	89.0

Assessment Area Concentration

A substantial majority of the bank's HMDA-reportable, small business, and small farm loans were originated within the assessment area. VisionBank of Iowa originated 87.7 percent of its loans by volume inside the bank's combined assessment area during the evaluation period. Of the 292 HMDA-reportable loans originated during the evaluation period, 88.0 percent by volume were originated inside the assessment area. This is similar to the HMDA-reportable loans originated in the assessment area during the previous evaluation at 90.4 percent by volume. Of the 81 small business loans originated during the evaluation period, 97.5 percent were originated inside the bank's assessment area, which is an increase from the previous evaluation at 90.8 percent. Lastly, of the 89 small farm loans originated during the evaluation period, 77.5 percent were originated inside the bank's assessment area. Small farm loans were not reviewed at the prior evaluation, thus there are no comparison values. Ultimately, the percentage of HMDA-reportable, small business, and small farm loan originations made within the assessment area indicates the bank is helping meet the credit needs of the area.

The following table summarizes the bank's lending inside and outside its assessment area by product. The bank's HMDA reportable loans originated from January 1, 2017 through December 31, 2018 and small business and small farm loans originated from January 1, 2018 through December 31, 2018 were reviewed to determine the percentage of loans originated inside the assessment area

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Home Improvement	13	92.9	\$633	98.4	1	7.1	\$10	1.6
Home Purchase	117	92.1	\$20,772	86.5	10	7.9	\$3,250	13.5
Multi-Family Housing	19	79.2	\$27,054	88.6	5	20.8	\$3,490	11.4
Refinancing	103	85.1	\$21,195	78.5	18	14.9	\$5,811	21.5
Other Purpose Closed – End	5	83.3	\$713	96.6	1	16.7	\$25	3.4
Total HMDA-related	257	88.0	\$70,367	84.8	35	12.0	\$12,586	15.2
Small Business	79	97.5	\$11,317	93.5	2	2.5	\$782	6.5
Small Farm	69	77.5	\$6,702	73.1	20	22.5	\$2,466	26.9
TOTAL LOANS	405	87.7	\$88,386	84.8	57	12.3	\$15,834	15.2
<i>Note: Percentages may not add to 100.0 percent due to rounding.</i>								

Geographic and Borrower Distribution

The bank's geographic distribution of lending demonstrates reasonable penetration throughout the assessment area. The analysis includes HMDA-reportable, small business, and small farm loans and takes into consideration the size and complexity of the bank as well as focuses on loan penetration in low- and moderate-income census tracts. The bank's borrower distribution of HMDA-reportable, small business, and small farm loans indicates reasonable penetration among individuals of different income levels and businesses and farms of different revenue sizes. Please refer to the full reviews of the Ames, Iowa MSA and Iowa Non-MSA assessment areas for more information.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is satisfactory. The bank demonstrates adequate responsiveness to community development needs in the assessment areas it serves by providing community development loans, investments, and services, considering the bank's capacity and opportunities in the assessment area. The specifics of the bank's community development activities are discussed in the individual assessment area sections.

Lending, Investment, and Services Activities

The bank originated an adequate level of community development loans since the previous evaluation. A total of six community development loans in the amount of \$491,671 were made within the bank's assessment areas. Of those, five loans totaling \$441,671 were made in the Des

Moines-West Des Moines MSA assessment area and one loan totaling \$50,000 was made in the Iowa Non-MSA assessment area. Please refer to the individual full review assessment area summaries for further details. All six of the community development loans were originated for affordable housing purposes.

VisionBank of Iowa's level of qualified investments and donations in its assessment area is adequate. The bank did not make any qualified investments during the review period; however it did made \$93,250 in community development donations throughout its assessment areas.

The bank provided 1,128 hours of community development services to 11 unique organizations since the previous evaluation within the assessment areas. These included financial services to organizations that provide affordable housing, economic development, and community services to meet the needs of the assessment area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

AMES, IOWA MSA #11180 – FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Ames, Iowa MSA assessment area. The scope of this section is consistent with the overall scope of the examination described within the institution summary. For further information refer to the "Scope of Examination" section for details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE AMES, IOWA MSA #11180¹

The bank's Ames, Iowa MSA assessment area is comprised of twenty census tracts located in central Iowa. The delineation of the assessment area includes Story County in its entirety. Based on 2018 FFIEC Census Data, the census tract composition is comprised of two low-, 14 middle-, and three upper-income census tracts. No moderate-income census tracts are located in the assessment area, and there is one unknown-income census tract consisting of Iowa State University.

The bank operates its main office and two full-service branches, each with a full-service ATM, one limited service-branch, and one-cash only ATM in the assessment area. The bank's main office is located in Ames, Iowa in a low-income census tract, and all other branches and ATMs are located in middle-income census tracts.

According to the FDIC Deposit Market Share Report, as of June 30, 2018, VisionBank of Iowa held 6.9 percent of deposit market share and ranked sixth of twenty FDIC-insured financial institutions in the assessment area. Based on the report, the top three institutions by market share are First National Bank (21.7 percent), U.S. Bank (13.0 percent), and Wells Fargo Bank (9.4 percent).

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity performed in 2017 and beyond is evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

¹ Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	2	2	0
Moderate	2	0	-2
Middle	14	14	0
Upper	1	3	+2
Unknown	1	1	0
Total	20	20	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015			

The following table shows 2018 demographics for the Ames, Iowa MSA assessment area.
Demographic information for 2017 is available in Appendix B.

Assessment Area: 2018 Ames, IA MSA 11180								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	10.0	897	4.7	214	23.9	3,523	18.6
Moderate-income	0	0.0	0	0.0	0	0.0	3,337	17.7
Middle-income	14	70.0	14,204	75.2	863	6.1	4,712	24.9
Upper-income	3	15.0	3,794	20.1	100	2.6	7,323	38.8
Unknown-income	1	5.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	18,895	100.0	1,177	6.2	18,895	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,641	567	3.0	15.6	2,894	79.5	180	4.9
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	27,350	14,663	76.4	53.6	11,332	41.4	1,355	5.0
Upper-income	6,690	3,956	20.6	59.1	2,482	37.1	252	3.8
Unknown-income	7	0	0.0	0.0	7	100.0	0	0.0
Total Assessment Area	37,688	19,186	100.0	50.9	16,715	44.4	1,787	4.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	427	10.8	359	10.1	65	19.2	3	5.7
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,684	67.8	2,455	68.8	188	55.6	41	77.4
Upper-income	823	20.8	733	20.6	81	24.0	9	17.0
Unknown-income	23	0.6	19	0.5	4	1.2	0	0.0
Total Assessment Area	3,957	100.0	3,566	100.0	338	100.0	53	100.0
Percentage of Total Businesses:				90.1		8.5		1.3
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	7	1.9	6	1.7	1	12.5	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	280	75.7	276	76.2	4	50.0	0	0.0
Upper-income	83	22.4	80	22.1	3	37.5	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	370	100.0	362	100.0	8	100.0	0	0.0
Percentage of Total Farms:				97.8		2.2		0.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The table below shows the population trends for Story County and the state of Iowa from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the assessment area's population is 93,586, with a 4.5 percent increase from 2010. The population in the assessment increased more rapidly than the state of Iowa which experienced a 1.6 percent increase in population from 2010 to 2015. A community representative noted that Ames is seeing growth in population due to its proximity to Des Moines which allows for a short job commute for residents.

Population Change			
Area	2010 Population	2015 Population	Percent Change (%)
Story County	89,542	93,586	4.5
State of Iowa	3,046,355	3,093,526	1.6
Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015			

Income Characteristics

According to 2018 FFIEC Census data, the assessment area is comprised of 18,895 families, of which 18.6 percent are designated as low-income, 17.7 percent are moderate-income, 24.9 percent are middle-income, and 38.8 percent are upper-income. Only 6.2 percent of families residing within the assessment area live below the poverty line, slightly lower than the state of Iowa poverty rate at 8.1 percent.

The table below compares the median family income for the assessment area to the state of Iowa. According to the 2011-2015 Census Bureau data, median family income (MFI) in the assessment area (\$77,539) remains higher than the state of Iowa MFI of \$67,466; however, the assessment area saw a lower percentage increase in MFI between 2010 and 2015, with a growth rate of 4.4 percent, compared to 9.2 percent for the state.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change (%)
Story County	74,278	77,539	4.4
State of Iowa	61,804	67,466	9.2
Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015			

Housing Characteristics and Affordability

The table below presents recent trends in housing costs within the assessment area and the state of Iowa. Within the assessment area, there are a total of 37,688 housing units. The majority of

housing units are owner-occupied at 50.9 percent with rental units being a close second at 44.4 percent. The assessment area is home to Iowa State University, which enrolls more than 35,000 students per year. Rental student housing plays a large role in the housing market in Story County, driving up the percentage of rental housing as compared to owner-occupied. Only 4.7 percent of housing units are vacant, which is significantly less than the state of Iowa vacancy rate at 8.7 percent.

According to the 2011-2015 American Community Survey, the assessment area median housing value of \$166,000 remains above that of the state of Iowa at \$129,200. However, the assessment area experienced a 6.4 percent increase in value between 2010 and 2015 while the state of Iowa experienced an 8.4 percent increase during the same time period. Median gross rent values in the assessment area saw an increase of 9.8 percent between 2010 and 2015 while the state of Iowa's median gross rent saw an increase of 13.0 percent. A community representative stated that multi-family houses are being converted back to single-family homes that have now increased in value when asked to explain the rising value of single-family homes in Story County

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 American Community Survey data, the affordability ratio for the assessment area is, 0.30, lower than the state of Iowa at 0.41, indicating that it is less affordable to live in the assessment area than the other areas within the state of Iowa.

Housing Costs Change				
Location	2010 Median Housing Value (\$)	2015 Median Housing Value (\$)	2010 Median Gross Rent (\$)	2015 Median Gross Rent (\$)
Story County	156,000	166,000	703	772
State of Iowa	119,200	129,200	617	697
Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey				

Foreclosure Trends

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. Overall, foreclosure inventory rates in the state of Iowa and assessment area have declined since the previous evaluation, indicating that the housing crisis that affected much of the nation, including the assessment area, has abated. As of July 2018, the state of Iowa's foreclosure inventory rate was 0.7 percent, slightly higher than the foreclosure inventory rate of Story County at 0.3 percent.

Employment Conditions

The following table presents the unemployment trends in Story County as well as the state of Iowa from 2013 to 2016. Story County experienced declining unemployment rates from 2013 to 2016, which is aligned with unemployment trends in the state of Iowa. As of 2016 (most recent figures), the unemployment rate was 2.4 percent for Story County and 3.7 percent for the state of Iowa. A community representative noted that the low unemployment rate in Story County can be attributed to the vast amount of government jobs at the USDA and State Department of Transportation, as well as jobs with Iowa State University.

Unemployment Rates (%)				
Region	2013	2014	2015	2016
Story County	3.5	2.9	2.5	2.4
State of Iowa	4.6	4.4	3.8	3.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Industry Characteristics

The following table presents the largest employers operating in Story County. The information indicates the assessment area is heavily impacted by Iowa State University, but also maintains a diverse employment base.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
Iowa State University Memorial Union	6,163	Universities/Colleges-Student Union/Center
Mary Greeley Medical Center	1,042	Hospitals
Danfoss Power Solutions	1,000	Hydraulic Equipment-Manufacturers
Transportation Department	1,000	Government Offices-State
Hy-Vee	780	Grocers-Retail
Ames Community Schools	600	School Districts
Ames Laboratory Usdoe	400	Laboratories
Ames Laboratory	400	Government- Contractors
Hy-Vee	400	Grocers-Retail
3M Co	400	Abrasives (Wholesalers)
Hy-Vee	380	Grocers-Retail
<i>Source: Business information provided by Infogroup®, Omaha, NE</i>		

Community Representative

Two community representatives were contacted in connection with this evaluation. The individuals represented organizations related to economic development and the socio-economic needs of low- and moderate-income families, as well as small businesses residing within the assessment area. The representatives noted that Story County's increasing housing prices and median family income can be attributed to its proximity to Des Moines and the attraction of

metropolitan jobs to younger individuals moving into the area as well as Iowa State University being located within the county. As a result, the representatives noted that low- and moderate-income individuals struggle to find affordable housing. Both contacts noted that, while financial institutions are involved in the local community development, there is opportunity for more, by means of financing for affordable housing, in addition to increasing their interaction with the LMI individuals.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE AMES, IOWA MSA #11180

LENDING TEST

Geographic Distribution of Loans

For the purposes of this review, loans made in calendar years up to and including 2016 were analyzed based on income designations from the 2006-2010 American Community Survey data². Loans made in calendar years 2017 and after were analyzed based on income designations from the 2011-2015 American Community Survey data.

VisionBank of Iowa's geographic distribution of loans reflects reasonable dispersion throughout the assessment area. The analysis includes HMDA-reportable, small business, and small farm loans and focuses on loan penetration in low-income census tracts since there are no moderate-income census tracts in the bank's assessment area. Given the limited number of small farm loans originated during the evaluation period, HMDA-reportable and small business loans received more weight in the evaluation.

As part of the evaluation, a gap analysis was completed in regards to the bank's lending trends to individual census tracts. As of 2018, VisionBank of Iowa's Ames, Iowa MSA assessment area is comprised of 20 census tracts including two low-, 14 middle-, three upper-, and one unknown-income census tracts. The analysis of the dispersion of loans indicates the bank made loans in all three upper-income census tracts within the assessment area, but failed to originate a HMDA-reportable, small business, or small farm loan in one low-income census tract and one middle-income census tract in 2018. Similarly in 2017, the bank originated HMDA-reportable loans in a majority of the census tracts, with the exception of 1 low-income, three middle-income, and one upper-income census tract. The low-income census tract with no lending in 2017 was the same census tract as identified in 2018. The low-income census tract has a high percentage of rental units at 79.5 percent. In addition, the tract is heavily commercial; however there is little presence of small businesses. The percentage of owner-occupied units within this low-income tract at 3.0 percent, small businesses at 10.1 percent and small farms at 1.7 percent limit opportunities for the

² The median family income levels (MFI) for census tracts are calculated using income data from the U.S. Census Bureau's American Community Survey and geographic designations from the Office of Management and Budget and are updated approximately every five years. (.12(m) Income Levels)

bank to originated HMDA-reportable, small business and small farm loans. Considering the bank's size and complexity, lending penetration throughout the assessment area is reasonable.

As previously noted, the lending analysis will be primarily based on the bank's 2018 performance. Tables for the bank's 2017 HMDA-reportable loans are included in the Appendix B of this evaluation.

HMDA-Reportable Lending

The geographic distribution of HMDA-reportable loans show reasonable dispersion of lending throughout the assessment area. The bank's 2018 lending performance is comparable to both aggregate lender performance and the owner-occupied housing demographic in the low-income geographies. Due to low volumes, home improvement loans, other purpose open-end and other purpose closed-end will not be discussed further.

The bank's overall 2017 HMDA lending is consistent to performance in 2018. Please refer to Appendix B for 2017 geographic distribution tables.

Home Purchase

In 2018, home purchase loans represented 55.8 percent of the bank's total HMDA-reportable loan originations in the Ames, Iowa MSA assessment area. The bank originated 58.3 percent of its home purchase loans in middle-income census tracts, which was below the aggregate at 76.9 percent and owner-occupied units in the middle-income census tracts in the assessment area at 76.4 percent. Additionally, the bank originated 41.7 percent of its home purchase loans in upper-income census tracts, which was above aggregate at 21.0 percent and owner-occupied units in the upper-income census tracts in assessment area at 20.6 percent. The bank did not originate any loans in the low-income census tracts, this is slightly comparable to the aggregate lenders at 2.0 percent and owner-occupied units within the low-income census tracts in the assessment area at 3.0 percent. The low percentage of owner-occupied units in the low-income census tracts, in conjunction with the minimal percentage of aggregate lending, indicates limited opportunities to lend in those census tracts.

The bank's 2017 HMDA home purchase geographic distribution was generally consistent with 2018 lending.

Refinance

In 2018, refinance loans represented 25.6 percent of the bank's total HMDA-reportable loan originations in the Ames, Iowa MSA assessment area. The bank originated 54.5 percent of its refinance loans in middle-income census tracts, below the aggregate lender rate of 79.6 percent and the owner-occupied units in the assessment area at 76.4 percent. The bank originated 45.5 percent

of its refinance loans in upper-income census tracts, which exceeds the aggregate lender rate of 19.4 percent and owner-occupied units in the upper-income census tracts at 20.6 percent. Additionally, the bank did not originate any refinance loans in the low-income census tracts similar to the low percentage of the aggregate lenders and demographic composition, at 0.9 percent and 3.0 percent respectively.

The bank's 2017 HMDA home refinance geographic distribution was slightly above performance in 2018. In 2017, the bank's lending was consistent with both aggregate lending and the percentage of owner-occupied units.

The bank's 2017 HMDA refinance lending geographic distribution was generally consistent with 2018 lending.

Multi-Family

In 2018, multi-family loans represented 16.3 percent of the bank's total HMDA-reportable loan originations in the Ames, IA MSA assessment area. The bank originated 57.1 percent of its multi-family loans in middle-income census tracts, comparable to aggregate lenders at 68.8 percent and multi-family units in the assessment area at 64.8 percent. The bank originated 42.9 percent of its multi-family loans in upper-income census tracts which is above the aggregate lenders at 28.1 and multi-family units in the assessment area at 15.5 percent. The bank did not originate any multi-family loans in the low-income census tracts. This consistent with the low percentage by aggregate lender at 3.1 percent, well below the multi-family units at 19.7 percent.

The bank's 2017 HMDA multi-family geographic distribution was consistent with performance in 2018.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Ames, IA MSA 11180								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	2.0	0	0.0	1.7	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	14	58.3	76.9	3,121	58.8	68.7	76.4
	Upper	10	41.7	21.0	2,184	41.2	29.5	20.6
	Unknown	0	0.0	0.1	0	0.0	0.1	0.0
	Total	24	100.0	100.0	5,305	100.0	100.0	100.0
Refinance	Low	0	0.0	0.9	0	0.0	0.8	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	6	54.5	79.6	508	30.2	71.1	76.4
	Upper	5	45.5	19.4	1,173	69.8	28.2	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	11	100.0	100.0	1,681	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	77.4	0	0.0	70.3	76.4
	Upper	0	0.0	22.6	0	0.0	29.7	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	3.1	0	0.0	3.2	Multi-Family 19.7 0.0 64.8 15.5 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	4	57.1	68.8	1,895	37.9	75.7	
	Upper	3	42.9	28.1	3,106	62.1	21.1	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	7	100.0	100.0	5,001	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	78.0	0	0.0	67.6	76.4
	Upper	0	0.0	22.0	0	0.0	32.4	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	1.5	0	0.0	1.5	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	75.0	0	0.0	66.4	76.4
	Upper	1	100.0	23.5	58	100.0	32.1	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	58	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	3.6	0	0.0	0.0	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	0	0.0	85.7	0	0.0	79.5	76.4
	Upper	0	0.0	10.7	0	0.0	20.4	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	1.6	0	0.0	1.7	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	24	55.8	77.5	5,524	45.9	70.3	76.4
	Upper	19	44.2	20.8	6,521	54.1	28.0	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	43	100.0	100.0	12,045	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. The bank originated 24.3 percent of its small business loans in low-income census tracts which exceeds the percent of businesses in low-income census tracts at 10.8 percent. Within the middle- and upper-income census tracts, the bank originated 54.1 and 21.6 percent, respectively, which is consistent with total businesses in those tract income levels. The following table shows the bank's geographic distribution of small business loans in 2018.

Geographic Distribution of Small Business Loans						
Assessment Area: 2018 Ames, IA MSA 11180						
	Tract Income Levels	Bank & Demographic Comparison				
		Count		Dollar		Total Businesses
		Bank	2018	Bank	2018	
		#	%	\$ 000s	\$ %	%
Small Business	Low	9	24.3	1,705	42.6	10.8
	Moderate	0	0.0	0	0.0	0.0
	Middle	20	54.1	1,139	28.5	67.8
	Upper	8	21.6	1,155	28.9	20.8
	Unknown	0	0.0	0	0.0	0.6
	Total	37	100.0	3,998	100.0	100.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Small Farm Lending

The geographic distribution of small farm loans reflects reasonable dispersion throughout the assessment area. The bank originated 81.8 percent of small farm loans in middle-income census tracts and 18.2 percent in upper-income census tracts, which is comparable to the demographics in both the middle- and upper-income census tracts. The bank did not originate any small farm loans in the low-income census tracts, which is consistent with the low percentage of small farms operating in those tracts at 1.9 percent. The following table shows the bank's geographic distribution of small farm loans in 2018.

Geographic Distribution of Small Farm Loans						
Assessment Area: 2018 Ames, IA MSA 11180						
	Tract Income Levels	Bank & Demographic Comparison				
				2018		Total Farms
		Count Bank		Dollar Bank		
		#	%	\$ 000s	\$ %	%
Small Farm	Low	0	0.0	0	0.0	1.9
	Moderate	0	0.0	0	0.0	0.0
	Middle	18	81.8	1,518	71.6	75.7
	Upper	4	18.2	603	28.4	22.4
	Unknown	0	0.0	0	0.0	0.0
	Total	22	100.0	2,121	100.0	100.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Lending to Borrowers of Different Income Levels and to Businesses of Farms of Different Sizes

For the purposes of this review, loans made in calendar year 2016 or before were analyzed based on 2006-2010 American Community Survey income designations for individuals³. Loans made in calendar year 2017 or after were analyzed based on 2011-2015 American Community Survey income designations for individuals.

Loan distribution reflects reasonable penetration among individuals of different income levels, including low-and moderate-income borrowers and businesses and farms of different sizes. Also, as previously noted, the lending analysis will be primarily based on the bank's 2018 performance. Given the limited number of small farm loans originated during the evaluation period, HMDA-reportable and small business loans received more weight in the evaluation.

Tables for the bank's 2017 HMDA-reportable lending are included in Appendix B of this evaluation.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans shows reasonable dispersion to borrowers of different income designations. The bank's lending performance to moderate-income borrowers fell slightly below the aggregate lenders and percentage of moderate-income families living in the assessment area in 2018. However, the bank's lending was comparable to the aggregate lenders and demographic composition to low-income borrowers.

³ Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

The bank's 2017 lending was generally consistent with 2018 lending. Please refer to Appendix B for 2017 borrower distribution tables. Note, due to low volumes, home improvement, other purpose lines of credit and other purpose closed-end loans will not be discussed. In addition, all multi-family loans were originated to unknown- income borrowers and will not be discussed further.

Additionally, the bank has a high volume of lending to borrowers of unknown income among its borrower distribution of HMDA lending. This is indicative of the bank's business strategy and high volume of non-owner-occupied one-to-four family originations. These loans are HMDA-reportable, however income is not required to be reported, therefore these loans could potentially skew the analysis of the bank's HMDA lending, with 20.8 percent and 45.5 percent of home purchase and refinance loans respectively, being originated to borrowers with unknown income.

Home Purchase

In 2018, home purchase loans represented 55.8 percent of the bank's total HMDA-reportable loans in the Ames, IA MSA assessment area. VisionBank of Iowa originated 8.3 percent of its home purchase loans to low-income borrowers, comparable to aggregate of lenders at 7.6 percent, but below the percentage of low-income families located in the assessment area at 18.6 percent. The bank originated 12.5 percent of its home purchase loans to moderate-income borrowers, falling below both the aggregate lender rate of 21.2 percent and the demographic composition at 17.7 percent. The bank also originated 12.5 percent of its home purchase loans to middle-income borrowers, which fell below the aggregate lender rate of 23.3 percent and the demographic composition of 24.9 percent. The bank originated 45.8 percent of its home purchase loans to upper-income borrowers, surpassing the aggregate lender rate of 33.5 percent and the demographic composition at 38.8 percent. The bank originated 20.8 percent of its home purchase loans to borrowers with unknown income, which is above the aggregate lender rate of 14.4 percent.

The bank's 2017 HMDA home purchase borrower distribution was generally consistent with 2018 lending.

Refinance

In 2018, refinance loans represented 25.6 percent of the bank's total HMDA-reportable loans in the Ames, IA MSA assessment area. The bank originated 9.1 percent of its refinance loans to low-income borrowers, comparable to the aggregate lender rate of 12.6 percent and below the percentage of low-income families located in the assessment area at 18.6 percent. The bank originated 9.1 percent of its refinance loans to moderate-income borrowers, below both the aggregate lender rate of 18.9 percent and the percentage of moderate-income families located in the assessment area at 17.7 percent. The bank also originated 9.1 percent of its refinance loans to middle-income borrowers, which fell below both the aggregate lender rate of 20.6 percent and the percentage of middle-income families located in the assessment area at 24.9 percent. The bank

originated 27.3 percent of its refinance loans to upper-income borrowers, below the aggregate lender rate of 38.9 percent and the demographic composition at 38.8 percent. The bank originated 45.5 percent of its refinance loans to borrowers with unknown income, which is above the aggregate lender rate of 9.1 percent.

The bank's 2017 HMDA refinance lending borrower distribution was generally consistent with 2018 lending.

The following table summarizes the bank's 2018 HMDA-reportable lending in the assessment area.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Ames, IA MSA 11180								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2018						
		Count Bank		Agg %	Dollar Bank		Agg %	
#	%		%	\$(000s)	\$ %	\$ %		
Home Purchase	Low	2	8.3	7.6	134	2.5	4.1	18.6
	Moderate	3	12.5	21.2	387	7.3	15.4	17.7
	Middle	3	12.5	23.3	603	11.4	21.5	24.9
	Upper	11	45.8	33.5	2,435	45.9	42.2	38.8
	Unknown	5	20.8	14.4	1,746	32.9	16.9	0.0
	Total	24	100.0	100.0	5,305	100.0	100.0	100.0
Refinance	Low	1	9.1	12.6	94	5.6	7.5	18.6
	Moderate	1	9.1	18.9	132	7.9	14.5	17.7
	Middle	1	9.1	20.6	41	2.4	16.3	24.9
	Upper	3	27.3	38.9	470	28.0	44.4	38.8
	Unknown	5	45.5	9.1	944	56.2	17.2	0.0
	Total	11	100.0	100.0	1,681	100.0	100.0	100.0
Home Improvement	Low	0	0.0	9.1	0	0.0	5.3	18.6
	Moderate	0	0.0	14.5	0	0.0	11.4	17.7
	Middle	0	0.0	24.2	0	0.0	21.0	24.9
	Upper	0	0.0	48.9	0	0.0	51.8	38.8
	Unknown	0	0.0	3.2	0	0.0	10.5	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	0.0	0	0.0	0.0	17.7
	Middle	0	0.0	3.1	0	0.0	1.5	24.9
	Upper	0	0.0	6.3	0	0.0	1.1	38.8
	Unknown	7	100.0	90.6	5,001	100.0	97.4	0.0
	Total	7	100.0	100.0	5,001	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	22.0	0	0.0	10.7	17.7
	Middle	0	0.0	22.0	0	0.0	20.8	24.9
	Upper	0	0.0	53.7	0	0.0	66.8	38.8
	Unknown	0	0.0	2.4	0	0.0	1.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	5.9	0	0.0	9.6	18.6
	Moderate	0	0.0	17.6	0	0.0	11.6	17.7
	Middle	0	0.0	30.9	0	0.0	27.8	24.9
	Upper	1	100.0	45.6	58	100.0	51.0	38.8
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	58	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	3.6	0	0.0	0.0	17.7
	Middle	0	0.0	3.6	0	0.0	0.0	24.9
	Upper	0	0.0	0.0	0	0.0	0.0	38.8
	Unknown	0	0.0	92.9	0	0.0	99.9	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	3	7.0	8.5	228	1.9	4.1	18.6
	Moderate	4	9.3	19.5	519	4.3	12.7	17.7
	Middle	4	9.3	22.4	644	5.3	17.5	24.9
	Upper	15	34.9	35.9	2,963	24.6	36.7	38.8
	Unknown	17	39.5	13.6	7,691	63.9	29.0	0.0
	Total	43	100.0	100.0	12,045	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending

The borrower distribution of small business loans reflects poor dispersion among businesses of different sizes. The bank originated 56.8 percent of its small business loans to businesses with revenues equal to or less than \$1.0 million. The bank's performance is significantly below the presence of businesses with revenues of \$1.0 million or less operating in the assessment area at 90.1 percent. However, of the 21 small business loans originated, 66.7 percent were originated to small businesses in amounts of \$100,000 or less, which are considered the most beneficial to small businesses, which indicates the bank's willingness to meet the credit needs of small businesses. Additionally, the bank's 1-4 family non-owner occupied loans, are included in the analysis of the bank's HMDA lending, which impacts the small business data. The following table shows the bank's distribution of small business loans in 2018.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2018 Ames, IA MSA 11180							
Product Type			Bank & Demographic Comparison				
			2018				Total Businesses
			Count Bank		Dollar Bank		
			#	%	\$ 000s	\$ %	%
Small Business	Revenue	\$1 Million or Less	21	56.8	2,002	50.1	90.1
		Over \$1 Million or Unknown	16	43.2	1,996	49.9	9.9
		Total	37	100.0	3,998	100.0	100.0
	Loan Size	\$100,000 or Less	25	67.6	955	23.9	
		\$100,001 - \$250,000	8	21.6	1,288	32.2	
		\$250,001 - \$1 Million	4	10.8	1,755	43.9	
		Total	37	100.0	3,998	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	14	66.7	427	21.3	
		\$100,001 - \$250,000	5	23.8	893	44.6	
		\$250,001 - \$1 Million	2	9.5	682	34.1	
		Total	21	100.0	2,002	100.0	
Originations & Purchases							
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

Small Farm Lending

The borrower distribution of small farm loans reflects reasonable dispersion among farms of different sizes. The bank originated 100.0 percent of its small farm loans to farms with revenues equal to or less than \$1.0 million. The bank's performance is comparable to the presence of total small farms operating in the assessment area at 97.8 percent. Of the 22 small farm loans originated, 63.6 percent were originated to small farms in the amounts of \$100,000 or less, which are considered the most beneficial to small farms, indicating the bank's willingness to meet the credit needs of small farms. The following table shows the bank's distribution of small farm loans in 2018.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2018 Ames, IA MSA 11180							
Product Type		Bank & Demographic Comparison					
		2018				Total Farms	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	22	100.0	2,121	100.0	97.8
		Over \$1 Million or Unknown	0	0.0	0	0.0	2.2
		Total	22	100.0	2,121	100.0	100.0
	Loan Size	\$100,000 or Less	14	63.6	724	34.1	
		\$100,001 - \$250,000	6	27.3	792	37.3	
		\$250,001 - \$500,000	2	9.1	605	28.5	
		Total	22	100.0	2,121	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	14	63.6	724	34.1	
		\$100,001 - \$250,000	6	27.3	792	37.3	
		\$250,001 - \$500,000	2	9.1	605	28.5	
		Total	22	100.0	2,121	100.0	
Originations & Purchases							
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

COMMUNITY DEVELOPMENT TEST

VisionBank of Iowa's community development activity performance demonstrated adequate responsiveness to the needs of the Ames, Iowa MSA assessment area through community development donations and services, considering the bank's capacity and the availability of such opportunities for community development in the bank's assessment area.

Lending

The bank did not originate any qualified community development loans in the Ames, Iowa MSA assessment area during the review period. This was consistent with the bank's performance at the previous evaluation when it did not originate any qualified community development loans. Performance evaluations of similarly sized banks in the area were compared to VisionBank of Iowa and had similar performance.

Investments

The bank did not make any qualified community development investments during the review period; however, it did make \$20,786 in qualified community development grants during that period. This accounts for 22.3 percent of all qualified community development donation activity by the bank during the evaluation period. Community development investment activity has remained consistent with performance at the previous evaluation, where there were no community

development investments made within the Ames, Iowa MSA assessment area. However, the amount of qualified grants made during the current period has significantly declined from the previous evaluation of \$61,600, by a 66.3 percent decrease. Although the bank made less qualified grants during the current evaluation, compared to the previous evaluation, when the bank was compared to performance evaluations of similarly sized banks in the area, its performance was comparable.

Services

The bank provided 126 hours in qualified community development services in the Ames, Iowa MSA. This represents a slight decrease in the number of qualified services in the assessment area since the previous evaluation, where the bank provided 168 hours, a 25.0 percent decrease. Organizations benefiting provide affordable housing services to low- and moderate-income individuals.

Summary of CD Activities, Review Period July 26, 2016 – September 16, 2019										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	0	0	0	0	0	0	0	0	0	0
Investment	0	0	0	0	0	0	0	0	0	0
Donations	3	2,750	0	0	0	0	6	18,036	9	20,786
Services	1	126	0	0	0	0	0	0	1	126

NONMETROPOLITAN IOWA– FULL REVIEW

SCOPE OF EXAMINATION

Full examination procedures were used to evaluate the bank's performance in the Iowa Non-MSA assessment area. The scope of this section is consistent with the overall scope of the examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE IOWA NON-MSA⁴

The bank's Iowa Non-MSA assessment area is comprised of Boone County in its entirety and the southeastern portion of Hamilton County (tract 9602.00). The assessment area includes nine census tracts, of which seven are middle-income and two tracts are designated upper-income. No low- or moderate-income census tracts are located in the assessment area. The bank operates three full-service branch locations, all with full-service ATMs, and one cash-only ATM. All are located in middle-income census tracts within the assessment area. The assessment area contains no majority-minority census tracts and no middle-income census tracts are classified as distressed or underserved by the FFIEC. Furthermore, the assessment area remains unchanged from the previous evaluation.

According to the FDIC Deposit Market Share Report, as of June 30, 2018, VisionBank of Iowa held 17.0 percent of the deposit market share and ranked second out of 12 FDIC-insured financial institutions in the assessment area. Based on the report, the top institution by market share is First State Bank with 26.5 percent of the market share.

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

⁴ Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	0	0	0
Moderate	0	0	0
Middle	5	7	+2
Upper	4	2	-2
Unknown	0	0	0
Total	9	9	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015			

The following table shows 2018 demographics for the Iowa Non-MSA assessment area.
Demographic information for 2017 is available in Appendix B.

Assessment Area: 2018 IA Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,005	12.8
Moderate-income	0	0.0	0	0.0	0	0.0	1,384	17.6
Middle-income	6	75.0	6,544	83.2	361	5.5	2,037	25.9
Upper-income	2	25.0	1,321	16.8	74	5.6	3,439	43.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8	100.0	7,865	100.0	435	5.5	7,865	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	11,200	7,578	82.9	67.7	2,659	23.7	963	8.6
Upper-income	2,108	1,559	17.1	74.0	326	15.5	223	10.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	13,308	9,137	100.0	68.7	2,985	22.4	1,186	8.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	1,118	79.7	1,028	79.6	67	75.3	23	100.0
Upper-income	285	20.3	263	20.4	22	24.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,403	100.0	1,291	100.0	89	100.0	23	100.0
	Percentage of Total Businesses:			92.0		6.3		1.6
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	208	64.4	205	65.1	2	40.0	1	33.3
Upper-income	115	35.6	110	34.9	3	60.0	2	66.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	323	100.0	315	100.0	5	100.0	3	100.0
	Percentage of Total Farms:			97.5		1.5		0.9
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Population Characteristics

The table below shows the population trends for the assessment area counties and the state of Iowa from 2010 to 2015. According to the 2015 U.S. Census Bureau demographic data, the assessment area's population is 29,820. The population in Boone County has remained stagnant with a less than one percent increase from 2010 to 2015. Hamilton County has seen a 2.4 percent decrease in population during the same time period. While, in comparison, the state of Iowa grew by 1.6 percent over the same period. Community representatives noted the loss of population in Hamilton County is due to migration to more urban areas, where opportunities are more abundant.

Population Change			
Area	2010 Population	2015 Population	Percent Change (%)
Assessment Area	N/A	29,820	N/A
Boone County	26,306	26,401	0.4
Hamilton County	15,673	15,297	-2.4
State of Iowa	3,046,355	3,093,526	1.6
Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015			

Income Characteristics

According to 2018 FFIEC Census data, the assessment area is comprised of 7,865 families, of which 12.8 percent are designated low-income, 17.6 percent moderate-income, 25.9 percent middle income, and 43.7 percent are upper-income. Only 5.5 percent of families residing within the assessment area live below the poverty line, which is less than the state of Iowa poverty rate of 8.1 percent.

The table below compares the median family income of the assessment area counties of Boone and Hamilton to the state of Iowa. According to the 2011-2015 Census Bureau data, MFI in the assessment area is \$67,522. The median family income of Boone County is \$69,260, which is slightly above the state of Iowa MFI at \$67,466; however, the state of Iowa has seen a more rapid increase in MFI between 2010 and 2015 at 9.2 percent while Boone County saw an increase of 3.6 percent. In contrast, Hamilton County saw a decrease of 1.7 percent in MFI between 2010 and 2015.

Median Family Income Change 2006-2010 and 2011-2015			
Area	2010 Median Family Income (In 2010 Dollars)	2011-2015 Median Family Income (In 2015 Dollars)	Percentage Change (%)
Assessment Area	N/A	67,522	N/A
Boone County	66,872	69,260	3.6
Hamilton County	61,472	60,427	-1.7
State of Iowa	61,804	67,466	9.2
Source: U.S. Census Bureau: Decennial Census American Community Survey Data: 2006-2010 U.S. Census Bureau: American Community Survey Data: 2011-2015			

Housing Characteristics and Affordability

There are a total of 13,308 housing units in the assessment area. The majority of housing units are owner-occupied at 68.7 percent, while 22.4 percent are rental units. Only 8.9 percent of housing units are vacant, which is consistent with the state of Iowa rate of vacancy at 8.7 percent.

The table below presents recent trends in housing costs within the assessment area counties and the state of Iowa. According to the 2011-2015 American Community Survey, the assessment area median housing value is \$118,165. Both Boone (\$119,600) and Hamilton County's (\$93,600) housing value is below the state of Iowa at \$129,200. In addition, both Boone (3.3 percent) and Hamilton (3.4 percent) experienced less of an increase in median housing value than the state of Iowa at 8.4 percent. Median gross rent in the assessment area also remains below the state of Iowa; however, increases in median gross rent were more comparable to the state of Iowa's increase of 13.0 percent. Boone County saw an increase of 12.6 percent in median gross rent between 2010 and Hamilton County saw an increase of 11.5 percent during the same period.

A common method to compare relative affordability of housing across geographic areas is the affordability ratio, which is defined in Appendix D. A higher ratio supports more affordable housing opportunities. Based on the 2011-2015 American Community Survey data, the affordability ratio for the assessment is 0.45, is slightly higher than the state of Iowa at 0.41, indicating that it is more affordable to live in the assessment area than other areas within the state of Iowa.

Housing Costs Change				
Location	2010 Median Housing Value (\$)	2015 Median Housing Value (\$)	2010 Median Gross Rent (\$)	2015 Median Gross Rent (\$)
Assessment Area	N/A	118,165	N/A	646
Boone County	115,800	119,600	572	644
Hamilton County	90,500	93,600	572	638
State of Iowa	119,200	129,200	617	697
Source: 2006-2010 — U.S. Census Bureau: American Community Survey 2011-2015 — U.S. Census Bureau: American Community Survey				

Foreclosure Trends

The Federal Reserve Bank of Chicago conducted a study on changes in foreclosure inventory rates at the county level. The foreclosure inventory rate measures the number of residential properties in some phase of foreclosure. Foreclosure inventory rates in the state and assessment area counties have declined since the previous evaluation, indicating that the housing crisis that affected much of the nation, including the assessment area, has abated. As of July 2018 (most recent data), the State of Iowa's foreclosure inventory rate was 0.7 percent, comparable to the foreclosure inventory rate of Boone County at 0.9 percent, but higher than the foreclosure inventory rate of Hamilton County at 0.3 percent.

Employment Conditions

The following table presents the unemployment trends in Boone and Hamilton Counties and the state of Iowa from 2013 to 2016. As of 2016 (most recent data), the unemployment rate in Boone County was 2.8 percent, slightly less than the state of Iowa rate of 3.7 percent. Hamilton County's unemployment rate was comparable to the state of Iowa, with a rate of 3.8 percent. While the assessment area's unemployment rates remain low, a community representative seemed more concerned with the underemployment in the assessment area. A majority of the population living in the southern portions of Boone and Hamilton Counties find themselves traveling outside the assessment area for higher quality careers.

Unemployment Rates (%)				
Region	2013	2014	2015	2016
Boone County	3.8	3.5	3.1	2.8
Hamilton County	5.8	4.7	4.3	3.8
State of Iowa	4.6	4.4	3.8	3.7
<i>Source: Bureau of Labor Statistics: Local Area Unemployment Statistics</i>				

Industry Characteristics

The following table presents the largest employers in the assessment area. The information indicates the assessment area is heavily impacted by industries of service-providing, goods-producing, and manufacturing. Boone County along with the portion of Hamilton County that lies within the assessment area is largely agricultural. A community representative noted there has been an increase in Tech and IT companies that have located just outside of Boone and Hamilton County to which are providing employment opportunities to the area.

Largest Employers in the Assessment Area		
Company	Number of Employees	Industry
State of Iowa-Woodward Research	700	Government Offices-State
Woodward Resource Center	656	Residential Care Homes
Van Diest Supply Company	500	Chemicals (Wholesalers)
CDS Global	375	Magazines-Subscription Agents
Boone County Hospital	316	Hospitals
Webster City Community Schools	275	Schools
Fareway Stores Incorporated	270	Management Services
Kinzler Construction Service	250	Fireproofing
Woodward Academy	249	Counseling Services
Tasler Incorporated	200	Pallets & Skids- Manufacturers
<i>Source: Business information provided by Infogroup®, Omaha, NE</i>		

Community Representatives

One community representative was contacted to provide information on economic development efforts within the assessment area. The representative noted that Hamilton County is mostly agricultural which has led to the decline in population as the younger population moves towards more urban areas. Overall, Boone and Hamilton Counties are in need of more affordable housing as well as new construction homes due to the aging of current homes in the area. Lastly, the representative noted that financial institutions can help by focusing on sponsorship of nonprofit organizations that support low- and moderate-income families and small businesses.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN THE IOWA NON-MSA

LENDING TEST

Geographic Distribution of Loans

The assessment area is comprised only of middle- and upper-income census tracts and therefore a meaningful analysis could not be performed. The dispersion of the loans in the assessment area was reviewed to determine if the bank is sufficiently serving the census tracts included in the assessment area. Overall, examiners determined that there were no conspicuous unexplained gaps in the contiguous census tracts.

Lending to Borrowers of Different Income Levels and to Businesses of Farms of Different Sizes

For the purposes of this review, loans made in calendar year 2016 or before were analyzed based on 2006-2010 American Community Survey income designations for individuals⁵. Loans made in calendar year 2017 or after were analyzed based on 2011-2015 American Community Survey income designations for individuals.

Loan distribution reflects reasonable penetration among individuals of different income levels, including low- and moderate-income borrowers and businesses and farms of different sizes. Also, as previously noted, the lending analysis will be primarily based on the bank's 2018 performance. Tables for the bank's 2017 HMDA-reportable lending are included in Appendix B of this evaluation. Given the limited number of small farm loans originated during the evaluation period, HMDA-reportable and small business loans received more weight in the evaluation.

HMDA-Reportable Lending

The borrower distribution of HMDA-reportable loans shows reasonable dispersion to borrowers of different income designations. The bank's 2017 lending was generally consistent with 2018

⁵ Income levels for individuals are calculated annually by the FFIEC using geographic definitions from the OMB, income data from the ACS and the Consumer Price Index from the Congressional Budget Office (.12(m) Income Levels).

lending. Please refer to Appendix B for 2017 borrower distribution tables. Note, due to low volumes, home-improvement, multi-family, other purpose lines of credit, and other purpose closed-end loans will not be discussed.

Additionally, the bank has a high volume of lending to borrowers of unknown-income among its borrower distribution of HMDA lending. This is indicative of the bank's business strategy and high volume of non-owner-occupied one-to-four family originations. These loans are HMDA-reportable; however, income is not required to be reported, therefore these loans could potentially skew the analysis of the bank's HMDA lending when compared to demographic percentages.

Home Purchase

In 2018, home purchase loans represented 33.3 percent of the bank's total HMDA-reportable loans in the Iowa Non-MSA assessment area. The bank originated 13.3 percent of home purchase loans to low-income borrowers, outperforming the aggregate lenders at 7.9 percent, with comparable performance to the demographic composition at 12.8 percent. The bank originated 20.0 percent of its home purchase loans to moderate-income borrowers, slightly less than the aggregate lenders at 26.1 percent, but above the demographic composition at 17.6 percent. The bank originated 6.7 percent of its home purchase loans to middle income borrowers, significantly below both the aggregate lenders at 21.8 percent, and the demographic composition at 25.9 percent. The bank originated 26.7 percent of home purchase loans to upper-income borrowers, slightly above aggregate lender rate of 23.8 percent, but below the demographic composition of 43.7 percent. The bank originated 33.3 percent of its home purchase loans to borrowers with unknown income, which is above the aggregate lender rate of 20.4 percent.

Refinance

In 2018, refinance loans represented 51.1 percent of the bank's total HMDA-reportable loans in the Iowa Non-MSA assessment area. The bank originated 4.3 percent of its refinance loans to low-income borrowers, slightly below the aggregate lenders at 8.4 percent and the percentage of low-income families located in the assessment area at 12.8 percent. The bank originated 8.7 percent of its refinance loans to moderate-income borrowers, significantly below both, the aggregate lenders at 19.7 percent and demographic composition of 17.6 percent. The bank originated 26.1 percent of refinance loans to middle-income borrowers, similar to both the aggregate lenders at 26.1 percent and the demographic composition of 25.9 percent. The bank originated 47.8 percent of its refinance loans to upper-income borrowers, surpassing the aggregate lenders at 36.5 percent and the demographic composition of 43.7 percent. The bank originated 47.8 percent of its refinance loans to borrowers with unknown income, which is above the aggregate lender rate of 36.5 percent.

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 IA Non MSA								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$(000s)	\$ %	\$ %			
Home Purchase	Low	2	13.3	7.9	153	12.0	4.4	12.8
	Moderate	3	20.0	26.1	163	12.8	20.0	17.6
	Middle	1	6.7	21.8	31	2.4	22.2	25.9
	Upper	4	26.7	23.8	637	50.1	33.4	43.7
	Unknown	5	33.3	20.4	287	22.6	20.0	0.0
	Total	15	100.0	100.0	1,271	100.0	100.0	100.0
Refinance	Low	1	4.3	8.4	110	3.0	4.1	12.8
	Moderate	2	8.7	19.7	161	4.4	14.3	17.6
	Middle	6	26.1	26.1	626	17.1	20.2	25.9
	Upper	11	47.8	36.5	2,557	69.9	47.7	43.7
	Unknown	3	13.0	9.4	206	5.6	13.6	0.0
	Total	23	100.0	100.0	3,660	100.0	100.0	100.0
Home Improvement	Low	0	0.0	7.9	0	0.0	4.3	12.8
	Moderate	1	25.0	17.1	30	25.0	13.2	17.6
	Middle	1	25.0	26.3	15	12.5	20.9	25.9
	Upper	1	25.0	44.7	50	41.7	55.1	43.7
	Unknown	1	25.0	3.9	25	20.8	6.5	0.0
	Total	4	100.0	100.0	120	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	12.8
	Moderate	0	0.0	0.0	0	0.0	0.0	17.6
	Middle	0	0.0	8.3	0	0.0	21.6	25.9
	Upper	0	0.0	0.0	0	0.0	0.0	43.7
	Unknown	0	0.0	91.7	0	0.0	78.4	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	14.8	0	0.0	19.1	12.8
	Moderate	0	0.0	18.5	0	0.0	18.3	17.6
	Middle	0	0.0	18.5	0	0.0	19.3	25.9
	Upper	0	0.0	48.1	0	0.0	43.3	43.7
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	7.7	0	0.0	8.2	12.8
	Moderate	1	33.3	19.2	57	41.6	18.1	17.6
	Middle	1	33.3	23.1	20	14.6	26.0	25.9
	Upper	1	33.3	46.2	60	43.8	43.1	43.7
	Unknown	0	0.0	3.8	0	0.0	4.6	0.0
	Total	3	100.0	100.0	137	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.0	0	0.0	0.0	12.8
	Moderate	0	0.0	0.0	0	0.0	0.0	17.6
	Middle	0	0.0	0.0	0	0.0	0.0	25.9
	Upper	0	0.0	0.0	0	0.0	0.0	43.7
	Unknown	0	0.0	100.0	0	0.0	100.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	3	6.7	8.0	263	5.1	4.3	12.8
	Moderate	7	15.6	22.5	411	7.9	17.3	17.6
	Middle	9	20.0	22.9	692	13.3	21.3	25.9
	Upper	17	37.8	29.7	3,304	63.7	37.4	43.7
	Unknown	9	20.0	16.8	518	10.0	19.6	0.0
	Total	45	100.0	100.0	5,188	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending

The borrower distribution of small business loans reflects reasonable dispersion among businesses of different annual revenue sizes. The bank originated 73.9 percent of its business loans to businesses with revenues equal to or less than \$1.0 million. The bank's performance fell below the presence of total small businesses operating in the assessment area at 92.0 percent. However, 94.1 percent of their small business loans were originated in the amount of \$100,000 or less which are considered the most beneficial to small businesses, indicating the bank's willingness to meet the credit needs of small businesses. The following table shows the bank's distribution of small business loans in 2018.

Small Business Lending By Revenue & Loan Size							
Assessment Area: 2018 IA Non MSA							
Product Type			Bank & Demographic Comparison				
			2018				Total Businesses
			Count Bank		Dollar Bank		
			#	%	\$ 000s	\$ %	%
Small Business	Revenue	\$1 Million or Less	17	73.9	1,153	44.4	92.0
		Over \$1 Million or Unknown	6	26.1	1,442	55.6	8.0
		Total	23	100.0	2,595	100.0	100.0
	Loan Size	\$100,000 or Less	17	73.9	478	18.4	
		\$100,001 - \$250,000	2	8.7	301	11.6	
		\$250,001 - \$1 Million	4	17.4	1,817	70.0	
		Total	23	100.0	2,596	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	16	94.1	453	39.3	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	1	5.9	700	60.7	
		Total	17	100.0	1,153	100.0	
	Originations & Purchases						
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

Small Farm Lending

The borrower distribution of small farm loans reflects reasonable dispersion among farms of different sizes. The bank originated 100.0 percent of its farm loans to farms with revenues equal to or less than \$1.0 million, consistent with the presence of total small farms operating in the assessment area at 97.5 percent. Of the 43 small farm loans originated, 72.1 percent were in the amount of \$100,000 or less, which is considered the most beneficial to small farms, indicating the bank's willingness to meet the credit needs of small farms. The following table shows the bank's distribution of small farm loans in 2018.

Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2018 IA Non MSA							
Product Type		Bank & Demographic Comparison					
		2018				Total Farms	
		Count Bank		Dollar Bank			
		#	%	\$ 000s	\$ %	%	
Small Farm	Revenue	\$1 Million or Less	43	100.0	4,068	100.0	97.5
		Over \$1 Million or Unknown	0	0.0	0	0.0	2.5
		Total	43	100.0	4,068	100.0	100.0
	Loan Size	\$100,000 or Less	31	72.1	749	18.4	
		\$100,001 - \$250,000	5	11.6	900	22.1	
		\$250,001 - \$500,000	7	16.3	2,419	59.5	
		Total	43	100.0	4,068	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	31	72.1	749	18.4	
		\$100,001 - \$250,000	5	11.6	900	22.1	
		\$250,001 - \$500,000	7	16.3	2,419	59.5	
		Total	43	100.0	4,068	100.0	
Originations & Purchases							
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

COMMUNITY DEVELOPMENT TEST

VisionBank of Iowa's community development activity performance demonstrated adequate responsiveness to the needs of the Iowa Non-MSA assessment area through community development loans, donations, and services, considering the bank's capacity and the availability of such opportunities for community development in the bank's assessment area.

Lending

During the review period, the bank originated one community development loan for affordable housing purposes for a total of \$50,000 within the assessment area. The bank's current period community development lending was less than the previous evaluation where the bank originated two community development loans for \$170,000 for the benefit of an affordable housing initiative. However, the bank's efforts continue to positively impact surrounding communities within the assessment area.

Investments

The bank's level of community development investments in the Iowa Non-MSA reflects adequate responsiveness to community development needs. The bank did not originate any qualified community development investments in the Iowa Non-MSA assessment area during the review period; however it did make \$27,109 in qualified community development grants for the purposes of affordable housing and community services during the review period. Additionally, the

amount of qualified grants made during the review period exceeded the dollar volume of qualified grants from the previous evaluation, of \$21,400, by a 26.7 percent increase.

Services

The bank provided an adequate level of community development services. Qualified community development services totaled 366 hours to five unique organizations, which exceeded the previous evaluation where the bank provided 201 hours, an 82.1 percent increase. The activities qualified remain particularly responsive for this assessment area as they focus on small business growth through economic development organizations, affordable housing, and community services for low- and moderate-income families.

Summary of CD Activities, Review Period (July 26, 2016 – September 16, 2019)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	1	50,000	0	0	0	0	0	0	1	50,000
Investment	0	0	0	0	0	0	0	0	0	0
Donations	9	6,250	0	0	0	0	15	20,859	24	27,109
Services	1	132	2	162	0	0	2	72	5	366

DES MOINES –WEST DES MOINES, IOWA MSA #19780 – LIMITED REVIEW

SCOPE OF EXAMINATION

The scope is consistent with that presented in the overall section of the Performance Evaluation.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DES MOINES-WEST DES MOINES, IOWA MSA #19780⁶

The Des Moines-West Des Moines, MSA assessment area includes all of Polk County and nine census tracts in Dallas County. The assessment area consists of 10 low-, 27 moderate-, 42 middle-, 27 upper, and one unknown-income census tracts. The unknown-income census tract is home to the Des Moines International Airport. The assessment area has remained unchanged since the previous evaluation. However, as presented in the table below, census tract income designations within the assessment area have changed from 2016 to 2017. The bank operates one full-service branch and ATM located in Grimes, IA and a loan production office in West Des Moines, Iowa. All are located in upper-income census tracts.

Based upon the June 30, 2018 FDIC Market Share Report, Vision Bank ranked 32nd out of 41 financial institutions with 0.2 percent of the FDIC-insured deposits in the assessment area counties. The three largest financial institutions by deposit market share are Wells Fargo Bank, NA (16.7 percent), Bankers Trust Co. (15.3 percent), and Principal Bank (14.3 percent).

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2016 and 2017. Accordingly, lending activity that took place in calendar years up to and including 2016 are evaluated based on ACS income level definitions from the five-year survey data set 2006-2010. Lending activity performed in 2017 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015.

⁶ Census tract designations are based on American Community Survey income data. For years 2017 and after, the designations are based on 2011-2015 ACS data. For years 2016 and before, the designations are based on 2006-2010 ACS data. For examinations that include performance before and after 2017, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2016 Designations (#)	2017 Designations (#)	Net Change (#)
Low	8	10	2
Moderate	28	27	-1
Middle	41	42	1
Upper	29	27	-2
Unknown	1	1	0
Total	107	107	0
Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2006-2010 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2011-2015			

Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	10	9.3	7,240	5.6	2,091	28.9	26,499	20.6
Moderate-income	27	25.2	24,950	19.4	3,990	16.0	21,982	17.1
Middle-income	42	39.3	50,735	39.5	3,605	7.1	27,496	21.4
Upper-income	27	25.2	45,555	35.5	1,337	2.9	52,503	40.9
Unknown-income	1	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	107	100.0	128,480	100.0	11,023	8.6	128,480	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	13,035	5,060	3.8	38.8	6,449	49.5	1,526	11.7
Moderate-income	43,487	24,381	18.1	56.1	15,693	36.1	3,413	7.8
Middle-income	87,387	55,606	41.2	63.6	25,931	29.7	5,850	6.7
Upper-income	65,773	49,837	36.9	75.8	13,596	20.7	2,340	3.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	209,682	134,884	100.0	64.3	61,669	29.4	13,129	6.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,133	4.5	972	4.3	153	6.4	8	2.8
Moderate-income	3,346	13.2	3,011	13.3	315	13.1	20	7.1
Middle-income	12,215	48.2	10,762	47.5	1,302	54.0	151	53.4
Upper-income	8,653	34.1	7,913	34.9	636	26.4	104	36.7
Unknown-income	9	0.0	6	0.0	3	0.1	0	0.0
Total Assessment Area	25,356	100.0	22,664	100.0	2,409	100.0	283	100.0
	Percentage of Total Businesses:			89.4		9.5		1.1
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	3	0.6	3	0.6	0	0.0	0	0.0
Moderate-income	24	4.5	22	4.3	2	12.5	0	0.0
Middle-income	260	48.7	253	48.9	7	43.8	0	0.0
Upper-income	247	46.3	239	46.2	7	43.8	1	100.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	534	100.0	517	100.0	16	100.0	1	100.0
	Percentage of Total Farms:			96.8		3.0		0.2
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DES MOINES – WEST DES MOINES, IOWA MSA #19780

LENDING TEST

VisionBank's lending performance in the area is consistent with the bank's lending performance overall.

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$ (000s)	\$ %	\$ %			
Home Purchase	Low	0	0.0	2.8	0	0.0	1.5	3.8
	Moderate	1	5.6	15.4	90	2.6	9.7	18.1
	Middle	1	5.6	38.1	91	2.6	35.6	41.2
	Upper	16	88.9	43.7	3,272	94.8	53.2	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	18	100.0	100.0	3,453	100.0	100.0	100.0
Refinance	Low	1	7.7	2.8	142	1.7	1.4	3.8
	Moderate	1	7.7	15.0	42	0.5	8.6	18.1
	Middle	7	53.8	40.3	6,511	76.4	38.2	41.2
	Upper	4	30.8	41.9	1,827	21.4	51.8	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	13	100.0	100.0	8,522	100.0	100.0	100.0
Home Improvement	Low	0	0.0	2.5	0	0.0	1.7	3.8
	Moderate	0	0.0	13.0	0	0.0	8.9	18.1
	Middle	0	0.0	40.0	0	0.0	36.0	41.2
	Upper	0	0.0	44.4	0	0.0	53.3	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	9.9	0	0.0	2.7	Multi-Family 7.5 19.7 46.5 26.3 0.0
	Moderate	1	50.0	19.3	1,702	96.8	8.0	
	Middle	1	50.0	40.4	57	3.2	43.8	
	Upper	0	0.0	30.4	0	0.0	45.4	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	2	100.0	100.0	1,759	100.0	100.0	
Other Purpose LOC	Low	0	0.0	0.9	0	0.0	0.7	3.8
	Moderate	0	0.0	8.1	0	0.0	5.1	18.1
	Middle	0	0.0	37.9	0	0.0	32.7	41.2
	Upper	0	0.0	53.0	0	0.0	61.4	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	2.0	0	0.0	0.9	3.8
	Moderate	0	0.0	12.3	0	0.0	7.2	18.1
	Middle	0	0.0	38.8	0	0.0	29.4	41.2
	Upper	1	100.0	46.9	518	100.0	62.6	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	1	100.0	100.0	518	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	5.7	0	0.0	3.2	3.8
	Moderate	0	0.0	22.0	0	0.0	13.2	18.1
	Middle	0	0.0	37.9	0	0.0	37.3	41.2
	Upper	0	0.0	34.4	0	0.0	46.4	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	1	2.9	2.8	142	1.0	1.6	3.8
	Moderate	3	8.8	15.0	1,834	12.9	9.3	18.1
	Middle	9	26.5	38.7	6,659	46.7	36.8	41.2
	Upper	21	61.8	43.5	5,617	39.4	52.2	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	34	100.0	100.0	14,252	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of Small Business Loans						
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2018 Dollar Bank		Total Businesses
		#	%	\$ 000s	\$ %	
Small Business	Low	0	0.0	0	0.0	4.5
	Moderate	0	0.0	0	0.0	13.2
	Middle	8	42.1	3,093	65.5	48.2
	Upper	11	57.9	1,630	34.5	34.1
	Unknown	0	0.0	0	0.0	0.0
	Total	19	100.0	4,723	100.0	100.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Geographic Distribution of Small Farm Loans						
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780						
	Tract Income Levels	Bank & Demographic Comparison				
		Count Bank		2018 Dollar Bank		Total Farms
		#	%	\$ 000s	\$ %	
Small Farm	Low	0	0.0	0	0.0	0.6
	Moderate	0	0.0	0	0.0	4.5
	Middle	4	100.0	512	100.0	48.7
	Upper	0	0.0	0	0.0	46.3
	Unknown	0	0.0	0	0.0	0.0
	Total	4	100.0	512	100.0	100.0
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS						
Note: Percentages may not add to 100.0 percent due to rounding						

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income
		2018						
		Count Bank		Agg	Dollar Bank		Agg	
#	%	%	\$(000s)	\$ %	\$ %			
Home Purchase	Low	1	5.6	9.0	91	2.6	4.9	20.6
	Moderate	2	11.1	22.2	304	8.8	16.6	17.1
	Middle	1	5.6	22.4	177	5.1	21.4	21.4
	Upper	8	44.4	31.1	1,821	52.7	40.7	40.9
	Unknown	6	33.3	15.4	1,060	30.7	16.4	0.0
	Total	18	100.0	100.0	3,453	100.0	100.0	100.0
Refinance	Low	1	7.7	8.9	92	1.1	4.8	20.6
	Moderate	2	15.4	17.5	359	4.2	12.3	17.1
	Middle	2	15.4	22.6	211	2.5	19.0	21.4
	Upper	6	46.2	37.8	4,818	56.5	47.8	40.9
	Unknown	2	15.4	13.3	3,042	35.7	16.1	0.0
	Total	13	100.0	100.0	8,522	100.0	100.0	100.0
Home Improvement	Low	0	0.0	5.3	0	0.0	3.3	20.6
	Moderate	0	0.0	16.8	0	0.0	12.0	17.1
	Middle	0	0.0	24.6	0	0.0	20.9	21.4
	Upper	0	0.0	49.9	0	0.0	56.0	40.9
	Unknown	0	0.0	3.5	0	0.0	7.7	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	20.6
	Moderate	0	0.0	0.6	0	0.0	0.1	17.1
	Middle	0	0.0	2.5	0	0.0	0.2	21.4
	Upper	0	0.0	1.9	0	0.0	0.1	40.9
	Unknown	2	100.0	95.0	1,759	100.0	99.7	0.0
	Total	2	100.0	100.0	1,759	100.0	100.0	100.0
Other Purpose LOC	Low	0	0.0	5.4	0	0.0	3.8	20.6
	Moderate	0	0.0	16.1	0	0.0	12.5	17.1
	Middle	0	0.0	24.3	0	0.0	20.1	21.4
	Upper	0	0.0	51.8	0	0.0	61.5	40.9
	Unknown	0	0.0	2.4	0	0.0	2.2	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Other Purpose Closed/Exempt	Low	0	0.0	6.2	0	0.0	3.2	20.6
	Moderate	0	0.0	19.5	0	0.0	13.9	17.1
	Middle	0	0.0	25.5	0	0.0	20.6	21.4
	Upper	1	100.0	46.7	518	100.0	58.6	40.9
	Unknown	0	0.0	2.0	0	0.0	3.7	0.0
	Total	1	100.0	100.0	518	100.0	100.0	100.0
Loan Purpose Not Applicable	Low	0	0.0	0.6	0	0.0	0.7	20.6
	Moderate	0	0.0	0.4	0	0.0	0.1	17.1
	Middle	0	0.0	1.0	0	0.0	0.0	21.4
	Upper	0	0.0	1.1	0	0.0	0.2	40.9
	Unknown	0	0.0	96.9	0	0.0	98.9	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	2	5.9	8.3	183	1.3	4.3	20.6
	Moderate	4	11.8	20.0	663	4.7	13.7	17.1
	Middle	3	8.8	22.1	388	2.7	18.5	21.4
	Upper	15	44.1	33.9	7,157	50.2	38.1	40.9
	Unknown	10	29.4	15.8	5,861	41.1	25.4	0.0
	Total	34	100.0	100.0	14,252	100.0	100.0	100.0
Originations & Purchases								
2016 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Small Business Lending By Revenue & Loan Size								
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780								
Product Type		Bank & Demographic Comparison						
		2018						
		Count Bank		Dollar Bank		Total Businesses		
		#	%	\$ 000s	\$ %	%		
Small Business	Revenue	\$1 Million or Less		9	47.4	2,213	46.9	89.4
		Over \$1 Million or Unknown		10	52.6	2,510	53.1	10.6
		Total		19	100.0	4,723	100.0	100.0
	Loan Size	\$100,000 or Less		11	57.9	601	12.7	
		\$100,001 - \$250,000		3	15.8	722	15.3	
		\$250,001 - \$1 Million		5	26.3	3,399	72.0	
		Total		19	100.0	4,722	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less		5	55.6	191	8.6	
		\$100,001 - \$250,000		1	11.1	248	11.2	
		\$250,001 - \$1 Million		3	33.3	1,774	80.2	
		Total		9	100.0	2,213	100.0	
Originations & Purchases								
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

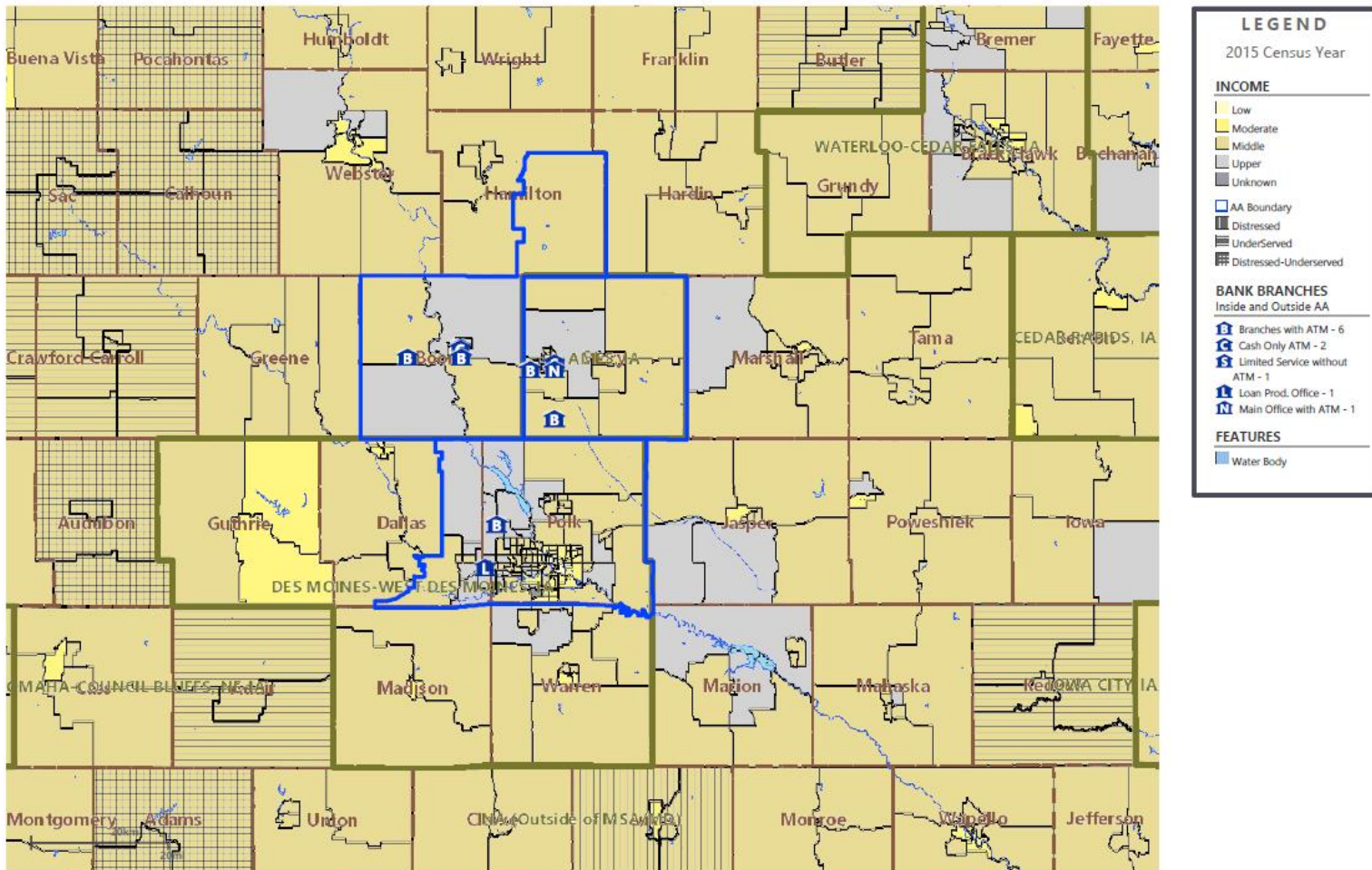
Small Farm Lending By Revenue & Loan Size							
Assessment Area: 2018 Des Moines-West Des Moines, IA MSA 19780							
Product Type			Bank & Demographic Comparison				
			2018				
			Count Bank		Dollar Bank		Total Farms
			#	%	\$ 000s	\$ %	%
Small Farm	Revenue	\$1 Million or Less	3	75.0	414	80.9	96.8
		Over \$1 Million or Unknown	1	25.0	98	19.1	3.2
		Total	4	100.0	512	100.0	100.0
	Loan Size	\$100,000 or Less	2	50.0	197	38.4	
		\$100,001 - \$250,000	2	50.0	316	61.6	
		\$250,001 - \$500,000	0	0.0	0	0.0	
		Total	4	100.0	513	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	1	33.3	98	23.7	
		\$100,001 - \$250,000	2	66.7	316	76.3	
		\$250,001 - \$500,000	0	0.0	0	0.0	
		Total	3	100.0	414	100.0	
Originations & Purchases							
2018 FFIEC Census Data & 2018 Dun & Bradstreet information according to 2015 ACS							
Note: Percentages may not add to 100.0 percent due to rounding							

COMMUNITY DEVELOPMENT TEST

VisionBank of Iowa's community development performance in the area is above the bank's community development performance overall; however, it does not change the overall rating.

Summary of CD Activities, Review Period (July 26, 2016 – September 16, 2019)										
Type of Activity	Affordable Housing		Economic Development		Activities that Revitalize/Stabilize		Community Services		Totals	
	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours	#	\$/Hours
Lending	5	441,671	0	0	0	0	0	0	5	441,671
Investment	0	0	0	0	0	0	0	0	0	0
Donations	4	40,000	0	0	0	0	8	5,355	12	45,355
Services	1	108	1	36	0	0	5	492	7	636

APPENDIX A – Map of Assessment Areas



APPENDIX B – 2017 Lending Tables

Assessment Area: 2017 Ames, IA MSA 11180								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	10.0	897	4.7	214	23.9	3,523	18.6
Moderate-income	0	0.0	0	0.0	0	0.0	3,337	17.7
Middle-income	14	70.0	14,204	75.2	863	6.1	4,712	24.9
Upper-income	3	15.0	3,794	20.1	100	2.6	7,323	38.8
Unknown-income	1	5.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	18,895	100.0	1,177	6.2	18,895	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,641	567	3.0	15.6	2,894	79.5	180	4.9
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	27,350	14,663	76.4	53.6	11,332	41.4	1,355	5.0
Upper-income	6,690	3,956	20.6	59.1	2,482	37.1	252	3.8
Unknown-income	7	0	0.0	0.0	7	100.0	0	0.0
Total Assessment Area	37,688	19,186	100.0	50.9	16,715	44.4	1,787	4.7
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	365	10.8	296	9.9	66	20.1	3	7.3
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,316	68.8	2,096	70.0	188	57.3	32	78.0
Upper-income	668	19.9	589	19.7	73	22.3	6	14.6
Unknown-income	16	0.5	15	0.5	1	0.3	0	0.0
Total Assessment Area	3,365	100.0	2,996	100.0	328	100.0	41	100.0
	Percentage of Total Businesses:			89.0		9.7		1.2
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	5	1.4	4	1.2	1	16.7	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	276	79.1	273	79.6	3	50.0	0	0.0
Upper-income	68	19.5	66	19.2	2	33.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	349	100.0	343	100.0	6	100.0	0	0.0
	Percentage of Total Farms:			98.3		1.7		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Ames, IA MSA 11180								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	0	0.0	1.7	0	0.0	1.3	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	15	75.0	78.4	3,028	66.8	71.6	76.4
	Upper	5	25.0	19.9	1,506	33.2	27.2	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	20	100.0	100.0	4,534	100.0	100.0	100.0
Refinance	Low	1	4.5	2.4	56	1.7	1.8	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	15	68.2	76.6	2,635	80.0	70.0	76.4
	Upper	6	27.3	21.0	602	18.3	28.2	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	22	100.0	100.0	3,293	100.0	100.0	100.0
Home Improvement	Low	0	0.0	1.0	0	0.0	0.7	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	2	66.7	79.4	210	49.6	66.1	76.4
	Upper	1	33.3	19.6	213	50.4	33.2	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	3	100.0	100.0	423	100.0	100.0	100.0
Multi-Family	Low	1	11.1	16.2	285	1.9	23.9	Multi-Family 19.7 0.0 64.8 15.5 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	6	66.7	54.1	3,019	20.6	31.6	
	Upper	2	22.2	29.7	11,338	77.4	44.5	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	9	100.0	100.0	14,642	100.0	100.0	100.0
HMDA Totals	Low	2	3.7	2.0	341	1.5	6.1	3.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	38	70.4	77.7	8,892	38.8	62.6	76.4
	Upper	14	25.9	20.3	13,659	59.7	31.2	20.6
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	54	100.0	100.0	22,892	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Ames, IA MSA 11180								
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison						Families by Family Income %
		2017						
		Count		Agg %	Dollar		Agg \$ %	
Bank #	%	Bank \$ (000s)	%					
Home Purchase	Low	1	5.0	6.5	85	1.9	3.6	18.6
	Moderate	3	15.0	20.5	255	5.6	15.5	17.7
	Middle	1	5.0	23.0	156	3.4	22.6	24.9
	Upper	6	30.0	35.0	709	15.6	44.7	38.8
	Unknown	9	45.0	15.1	3,329	73.4	13.6	0.0
	Total	20	100.0	100.0	4,534	100.0	100.0	100.0
Refinance	Low	0	0.0	8.1	0	0.0	4.2	18.6
	Moderate	1	4.5	19.9	40	1.2	14.8	17.7
	Middle	2	9.1	24.6	297	9.0	22.6	24.9
	Upper	6	27.3	31.0	1,866	56.7	39.1	38.8
	Unknown	13	59.1	16.4	1,090	33.1	19.3	0.0
	Total	22	100.0	100.0	3,293	100.0	100.0	100.0
Home Improvement	Low	0	0.0	4.9	0	0.0	3.4	18.6
	Moderate	0	0.0	20.3	0	0.0	11.6	17.7
	Middle	1	33.3	26.8	180	42.6	19.8	24.9
	Upper	2	66.7	42.2	243	57.4	58.9	38.8
	Unknown	0	0.0	5.9	0	0.0	6.2	0.0
	Total	3	100.0	100.0	423	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	18.6
	Moderate	0	0.0	0.0	0	0.0	0.0	17.7
	Middle	0	0.0	0.0	0	0.0	0.0	24.9
	Upper	0	0.0	0.0	0	0.0	0.0	38.8
	Unknown	9	100.0	100.0	14,642	100.0	100.0	0.0
	Total	9	100.0	100.0	14,642	100.0	100.0	100.0
HMDA Totals	Low	1	1.9	6.6	85	0.4	3.0	18.6
	Moderate	4	7.4	20.0	295	1.3	11.9	17.7
	Middle	4	7.4	23.5	633	2.8	17.7	24.9
	Upper	14	25.9	34.4	2,818	12.3	34.7	38.8
	Unknown	31	57.4	15.5	19,061	83.3	32.7	0.0
	Total	54	100.0	100.0	22,892	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Assessment Area: 2017 IA Non MSA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	1,005	12.8
Moderate-income	0	0.0	0	0.0	0	0.0	1,384	17.6
Middle-income	6	75.0	6,544	83.2	361	5.5	2,037	25.9
Upper-income	2	25.0	1,321	16.8	74	5.6	3,439	43.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8	100.0	7,865	100.0	435	5.5	7,865	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	11,200	7,578	82.9	67.7	2,659	23.7	963	8.6
Upper-income	2,108	1,559	17.1	74.0	326	15.5	223	10.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	13,308	9,137	100.0	68.7	2,985	22.4	1,186	8.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	1,004	80.1	917	80.1	65	74.7	22	100.0
Upper-income	250	19.9	228	19.9	22	25.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,254	100.0	1,145	100.0	87	100.0	22	100.0
	Percentage of Total Businesses:			91.3		6.9		1.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	210	65.8	208	66.5	2	33.3	0	0.0
Upper-income	109	34.2	105	33.5	4	66.7	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	319	100.0	313	100.0	6	100.0	0	0.0
	Percentage of Total Farms:			98.1		1.9		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 IA Non MSA								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
#	%	Bank \$ (000s)	\$ %					
Home Purchase	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	14	70.0	86.0	1,741	66.8	79.4	82.9
	Upper	6	30.0	13.8	867	33.2	20.5	17.1
	Unknown	0	0.0	0.2	0	0.0	0.1	0.0
	Total	20	100.0	100.0	2,608	100.0	100.0	100.0
Refinance	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	22	91.7	79.2	1,727	94.9	72.6	82.9
	Upper	2	8.3	20.8	92	5.1	27.4	17.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	24	100.0	100.0	1,819	100.0	100.0	100.0
Home Improvement	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	6	100.0	81.5	90	100.0	86.3	82.9
	Upper	0	0.0	18.5	0	0.0	13.7	17.1
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	6	100.0	100.0	90	100.0	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	0.0	Multi-Family 0.0 0.0 94.0 6.0 0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	
	Middle	0	0.0	100.0	0	0.0	100.0	
	Upper	0	0.0	0.0	0	0.0	0.0	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	0	0.0	100.0	0	0.0	100.0	100.0
HMDA Totals	Low	0	0.0	0.0	0	0.0	0.0	0.0
	Moderate	0	0.0	0.0	0	0.0	0.0	0.0
	Middle	42	84.0	83.6	3,558	78.8	78.8	82.9
	Upper	8	16.0	16.2	959	21.2	21.1	17.1
	Unknown	0	0.0	0.1	0	0.0	0.1	0.0
	Total	50	100.0	100.0	4,517	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans							
Assessment Area: 2017 IA Non MSA							
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					
		2017					
		Count		Agg %	Dollar		Families by Family Income %
		Bank #	%		Bank \$(000s)	Agg \$ %	
Home Purchase	Low	0	0.0	7.4	0	0.0	12.8
	Moderate	3	15.0	22.4	232	8.9	17.6
	Middle	4	20.0	20.8	514	19.7	25.9
	Upper	8	40.0	29.4	1,573	60.3	43.7
	Unknown	5	25.0	20.0	289	11.1	0.0
	Total	20	100.0	100.0	2,608	100.0	100.0
Refinance	Low	1	4.2	8.1	44	2.4	12.8
	Moderate	1	4.2	13.5	139	7.6	17.6
	Middle	6	25.0	25.0	382	21.0	25.9
	Upper	11	45.8	38.1	1,089	59.9	43.7
	Unknown	5	20.8	15.4	165	9.1	0.0
	Total	24	100.0	100.0	1,819	100.0	100.0
Home Improvement	Low	0	0.0	10.1	0	0.0	12.8
	Moderate	0	0.0	18.5	0	0.0	17.6
	Middle	5	83.3	26.1	30	33.3	25.9
	Upper	1	16.7	43.7	60	66.7	43.7
	Unknown	0	0.0	1.7	0	0.0	0.0
	Total	6	100.0	100.0	90	100.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	12.8
	Moderate	0	0.0	0.0	0	0.0	17.6
	Middle	0	0.0	0.0	0	0.0	25.9
	Upper	0	0.0	0.0	0	0.0	43.7
	Unknown	0	0.0	100.0	0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0
HMDA Totals	Low	1	2.0	7.9	44	1.0	12.8
	Moderate	4	8.0	19.4	371	8.2	17.6
	Middle	15	30.0	22.5	926	20.5	25.9
	Upper	20	40.0	33.4	2,722	60.3	43.7
	Unknown	10	20.0	16.8	454	10.1	0.0
	Total	50	100.0	100.0	4,517	100.0	100.0
Originations & Purchases							
2017 FFIEC Census Data							
Note: Percentages may not add to 100.0 percent due to rounding							

Assessment Area: 2017 Des Moines-West Des Moines, IA MSA 19780								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	10	9.3	7,240	5.6	2,091	28.9	26,499	20.6
Moderate-income	27	25.2	24,950	19.4	3,990	16.0	21,982	17.1
Middle-income	42	39.3	50,735	39.5	3,605	7.1	27,496	21.4
Upper-income	27	25.2	45,555	35.5	1,337	2.9	52,503	40.9
Unknown-income	1	0.9	0	0.0	0	0.0	0	0.0
Total Assessment Area	107	100.0	128,480	100.0	11,023	8.6	128,480	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	13,035	5,060	3.8	38.8	6,449	49.5	1,526	11.7
Moderate-income	43,487	24,381	18.1	56.1	15,693	36.1	3,413	7.8
Middle-income	87,387	55,606	41.2	63.6	25,931	29.7	5,850	6.7
Upper-income	65,773	49,837	36.9	75.8	13,596	20.7	2,340	3.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	209,682	134,884	100.0	64.3	61,669	29.4	13,129	6.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	910	4.3	762	4.1	145	6.1	3	1.5
Moderate-income	2,916	13.9	2,577	14.0	324	13.7	15	7.5
Middle-income	10,238	48.9	8,830	48.0	1,290	54.6	118	58.7
Upper-income	6,874	32.8	6,210	33.8	599	25.4	65	32.3
Unknown-income	8	0.0	5	0.0	3	0.1	0	0.0
Total Assessment Area	20,946	100.0	18,384	100.0	2,361	100.0	201	100.0
	Percentage of Total Businesses:			87.8		11.3		1.0
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	2	0.4	2	0.4	0	0.0	0	0.0
Moderate-income	21	4.6	19	4.3	2	14.3	0	0.0
Middle-income	236	51.4	230	51.7	6	42.9	0	0.0
Upper-income	200	43.6	194	43.6	6	42.9	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	459	100.0	445	100.0	14	100.0	0	0.0
	Percentage of Total Farms:			96.9		3.1		0.0
2017 FFIEC Census Data & 2017 Dun & Bradstreet information according to 2015 ACS								
Note: Percentages may not add to 100.0 percent due to rounding								

Geographic Distribution of HMDA Reportable Loans								
Assessment Area: 2017 Des Moines-West Des Moines, IA MSA 19780								
Product Type	Tract Income Levels	Bank & Aggregate Lending Comparison						Owner Occupied % of Units
		2017						
		Count		Agg %	Dollar		Agg \$ %	
		Bank #	%		Bank \$ (000s)	\$ %		
Home Purchase	Low	2	10.0	2.3	169	4.7	1.1	3.8
	Moderate	2	10.0	14.7	117	3.2	9.2	18.1
	Middle	6	30.0	39.5	1,004	27.9	35.9	41.2
	Upper	10	50.0	43.5	2,311	64.2	53.8	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	20	100.0	100.0	3,601	100.0	100.0	100.0
Refinance	Low	0	0.0	2.6	0	0.0	1.5	3.8
	Moderate	1	10.0	14.6	127	5.7	8.4	18.1
	Middle	2	20.0	40.0	240	10.8	36.3	41.2
	Upper	7	70.0	42.8	1,853	83.5	53.8	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	10	100.0	100.0	2,220	100.0	100.0	100.0
Home Improvement	Low	0	0.0	2.8	0	0.0	1.5	3.8
	Moderate	0	0.0	16.5	0	0.0	10.1	18.1
	Middle	0	0.0	40.1	0	0.0	38.6	41.2
	Upper	0	0.0	40.6	0	0.0	49.7	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0	100.0
Multi-Family	Low	0	0.0	7.9	0	0.0	2.4	Multi-Family 7.5 19.7 46.5 26.3 0.0
	Moderate	0	0.0	23.8	0	0.0	17.0	
	Middle	0	0.0	50.3	0	0.0	53.5	
	Upper	1	100.0	17.9	5,652	100.0	27.1	
	Unknown	0	0.0	0.0	0	0.0	0.0	
	Total	1	100.0	100.0	5,652	100.0	100.0	100.0
HMDA Totals	Low	2	6.5	2.4	169	1.5	1.3	3.8
	Moderate	3	9.7	14.9	244	2.1	9.8	18.1
	Middle	8	25.8	39.8	1,244	10.8	37.7	41.2
	Upper	18	58.1	42.9	9,816	85.6	51.1	36.9
	Unknown	0	0.0	0.0	0	0.0	0.0	0.0
	Total	31	100.0	100.0	11,473	100.0	100.0	100.0
Originations & Purchases								
2017 FFIEC Census Data								
Note: Percentages may not add to 100.0 percent due to rounding								

Borrower Distribution of HMDA Reportable Loans							
Assessment Area: 2017 Des Moines-West Des Moines, IA MSA 19780							
Product Type	Borrower Income Levels	Bank & Aggregate Lending Comparison					
		2017					
		Count		Agg %	Dollar		Families by Family Income %
		Bank #	%		Bank \$ (000s)	Agg \$ %	
Home Purchase	Low	0	0.0	10.9	0	0.0	20.6
	Moderate	0	0.0	22.4	0	0.0	17.1
	Middle	4	20.0	22.2	582	16.2	21.4
	Upper	12	60.0	28.4	2,312	64.2	40.9
	Unknown	4	20.0	16.0	707	19.6	0.0
	Total	20	100.0	100.0	3,601	100.0	100.0
Refinance	Low	0	0.0	9.2	0	0.0	20.6
	Moderate	0	0.0	18.6	0	0.0	17.1
	Middle	5	50.0	21.6	807	36.4	21.4
	Upper	3	30.0	32.6	695	31.3	40.9
	Unknown	2	20.0	18.0	718	32.3	0.0
	Total	10	100.0	100.0	2,220	100.0	100.0
Home Improvement	Low	0	0.0	10.8	0	0.0	20.6
	Moderate	0	0.0	19.3	0	0.0	17.1
	Middle	0	0.0	25.2	0	0.0	21.4
	Upper	0	0.0	40.1	0	0.0	40.9
	Unknown	0	0.0	4.7	0	0.0	0.0
	Total	0	0.0	100.0	0	0.0	100.0
Multi-Family	Low	0	0.0	0.0	0	0.0	20.6
	Moderate	0	0.0	0.0	0	0.0	17.1
	Middle	0	0.0	0.0	0	0.0	21.4
	Upper	0	0.0	0.0	0	0.0	40.9
	Unknown	1	100.0	100.0	5,652	100.0	0.0
	Total	1	100.0	100.0	5,652	100.0	100.0
HMDA Totals	Low	0	0.0	10.4	0	0.0	20.6
	Moderate	0	0.0	21.1	0	0.0	17.1
	Middle	9	29.0	22.1	1,389	12.1	21.4
	Upper	15	48.4	30.1	3,007	26.2	40.9
	Unknown	7	22.6	16.3	7,077	61.7	0.0
	Total	31	100.0	100.0	11,473	100.0	100.0
Originations & Purchases							
2017 FFIEC Census Data							
Note: Percentages may not add to 100.0 percent due to rounding							

APPENDIX C – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	There are different time periods for lending and community development activities <ul style="list-style-type: none"> • HMDA-Reportable – 1/1/17-12/31/18 • Small Business- 1/1/18- 12/31/18 • Small Farm- 1/1/18- 12/31/18 		
FINANCIAL INSTITUTION VisionBank of Iowa			PRODUCTS REVIEWED HMDA-Reportable Small Business Small Farm
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Iowa <ul style="list-style-type: none"> • Ames, Iowa MSA #11180 • Iowa Non-MSA • Des Moines- West Des Moines MSA #19780 	<ul style="list-style-type: none"> • Full Scope • Full Scope • Limited Scope 	None	

APPENDIX D – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.⁷

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

⁷ Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment or population loss; or
- b. Population size, density and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank's assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into "male householder" (a family with a male household and no wife present) or "female householder" (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan product office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as

defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).